

IN THE MATTER OF:

HOME LOAN CENTER, INC.

Respondent.

BEFORE THE MARYLAND  
COMMISSIONER OF  
FINANCIAL REGULATION

**SETTLEMENT AGREEMENT AND CONSENT ORDER**

This Settlement Agreement and Consent Order ("Agreement") is entered into this 27<sup>th</sup> day of August, 2010, by and between the Maryland Commissioner of Financial Regulation (the "Commissioner"), and Home Loan Center, Inc. (the "Respondent"). The Commissioner and the Respondent (the "Parties") consent to the entry of this Agreement as a final resolution of this matter. Nothing in this Agreement shall be construed to affect in any way any other person not a party to this Agreement. All paragraphs below are intended to be part of the contractual obligations of the Parties hereto, so far as they may be so construed, and are not mere recitals to this Agreement.

1. Pursuant to the Maryland Mortgage Lender Law (Annotated Code of Maryland, Financial Institutions Article ("FI") § 11-501 *et seq.*) and Maryland Mortgage Originator Law (FI § 11-601 *et seq.*) the Commissioner is responsible for licensing and examining, *inter alia*, all mortgage lenders, brokers, and originators in the State of Maryland (the "State").

2. The Commissioner has received information which would justify administrative charges and an injunction being brought against the Respondent based on the following: that Respondent accepted mortgage loans from, and otherwise engaged in the mortgage lending

business through fifty-seven (57) unlicensed mortgage loan originators<sup>1</sup>; and that these Unlicensed Loan Originators violated Maryland law by originating, on behalf of the Respondent, one hundred four (104) mortgage loans involving Maryland residential real property.

3. The Respondent admits to the alleged violations set forth above and wishes to resolve the alleged violations without the need for further administrative proceedings or other legal proceedings, and to avoid the costs associated with such proceedings and any potential appeals, and therefore agrees to resolve this matter fully, finally, and completely without any further administrative action, and further accepts without condition, and fully agrees to abide by, each and every term set forth in this Agreement.

4. The Commissioner desires to ensure that the Respondent will fully comply with all applicable statutes, regulations, and others laws governing Maryland mortgage lending and originating, and further wishes to avoid the costs to the taxpayers of an administrative hearing and any potential appeals. This agreement is intended to cover any loan originator employed by the Respondent who has filed a loan originator application prior to July 1, 2010. The Commissioner agrees that any individual loan originator not listed herein who falls within the timeframe described in this paragraph is covered by this Agreement. The Commissioner has

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<sup>1</sup> These fifty-seven (57) unlicensed mortgage loan originators are: Navida Montanhan, Peppino Illiano, Tara Bennett, Phillip Arrabaca, Theodore May, Kenneth Nadan, Haiyen Tran, Alexander Patrick Ho, Adam O'Rourke, Brian Smith, Neng Yang, Christopher Tellis, James Krause, Paul Durand, Beau Prieto, Scott Coker, Robin Glover, Jedd Lara, Jeffrey Willson, David Roh, Jeffrey Hopkins, Jason Yang, Jeana Cason, Thuy Truong, Maevis Duque, Raul Bennett Jr., Penny Massey, Nikki Yun, Nicholas Leonardo, Joseph P. Mancinelli, Ian Isaacson, Jennifer Eubanks, Jennifer Huger, Mathew Petersen, Tommy Thomson, Gene Galindo, Lydia Greene, Arash Yazdanian, Daniel Menchaca, Marc Griffith, Juomari Mendoza, Jeffrey Bertonneau, Roy Rush, Charlene Marsau, Jerad Douglas, Steve Mask, Lee (Andy) Egleston, Leonard Compton, and Daniel Chadwell, Julia Restrepo, Paul Iskander, Christopher Redoble, Bobak Moazami, Rahim Ali, Tomas Filipcik, Mark Hoagland, and Andrew Varcoe (collectively the "Unlicensed Loan Originators")

agreed to take no further action against these Unlicensed Loan Originators or these individuals described in this paragraph for their unlicensed activity solely described herein.

5. The Respondent has agreed to accept each and every one of the following actions in exchange for a final resolution of all allegations made herein:

a. Immediately upon execution and delivery of this Agreement, Respondent will remit a \$5,000 investigation fee to the Commissioner by check, money order or certified check made payable to the Commissioner of Financial Regulation.

b. Immediately upon execution and delivery of this Agreement, Respondent will remit a \$68,900 civil penalty to the Commissioner by check, money order or certified check made payable to the Commissioner of Financial Regulation.

c. The Respondent will cease engaging in the activities which formed the basis for the allegations set forth above.

6. The Respondent acknowledges that it has voluntarily entered into this Agreement with full knowledge of its right to a hearing, arising from the charges brought by the Commissioner based on the alleged violations, pursuant to Maryland Mortgage Originator Law, and the Maryland Administrative Procedures Act (Annotated Code of Maryland, State Government Article ("SG") § 10-201 *et seq.*), and that the Respondent hereby waives its right to a hearing. The Respondent further acknowledges that it has had an opportunity to consult with independent legal counsel in connection with the waiver of rights and with the negotiation and execution of this Agreement, and that the Respondent has either consulted with independent legal counsel or has knowingly and voluntarily elected not to consult with

counsel.

7. The Respondent represents that it is currently in compliance with all applicable statutes, regulations, and others laws governing Maryland mortgage lending, brokering, and originating, and that the Respondent will continue to act in compliance at all future times.

8. The Parties hereto agree that this Agreement shall be binding and enforceable in court by the Commissioner and by the Respondent, shall be admissible in court; and shall be binding upon and inure to any of the Respondent's present and future owners, members, officers, employees, agents, successors, and assigns.

9. The Parties hereto agree that any notices hereunder shall be effectively "delivered" when sent via overnight delivery or certified mail as follows:

a. To the Commissioner:

Commissioner of Financial Regulation  
500 North Calvert Street, Suite 402  
Baltimore, Maryland 21202-3651  
ATTN: Anne E. Ecker, Director of Licensing

b. To Respondent:

Home Loan Center, Inc.  
163 Technology Drive  
Irvine, California 92618  
ATTN: David Norris, President and  
Chief Executive Officer

**NOW, THEREFORE**, it is, by the Maryland Commissioner of Financial Regulation,  
hereby

**ORDERED** that the Respondent shall adhere to all terms of this Settlement Agreement  
and Consent Order; and it is

**ORDERED** that the Respondent will remain in full compliance with all statutes, regulations, and other laws governing mortgage lending, brokering, and originating in the State of Maryland at all future times; and it is further

**ORDERED** that, in the event the Respondent violates any provision of this Settlement Agreement and Consent Order, or otherwise engage in the activities which formed the basis for the allegations set forth above, the Commissioner may, at the Commissioner's discretion, take any enforcement actions available under FI § 11-517 and FI § 2-115(b), as well as take any other enforcement actions as permitted by, and in accordance with, applicable State law; and it is further

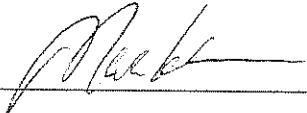
**ORDERED** that this matter shall be resolved in accordance with the terms of this Settlement Agreement and Consent Order and the same shall be reflected among the records of the Office of the Commissioner of Financial Regulation; and it is further

**ORDERED** that this document shall constitute a final order of the Maryland Commissioner of Financial Regulation and the Commissioner may consider this Settlement Agreement and Consent Order and the facts set forth herein in connection with, and in deciding, any action or proceeding before the Commissioner; and that this Settlement Agreement and Consent Order may, if relevant, be admitted into evidence in any matter before the Commissioner.

It is so **ORDERED**.

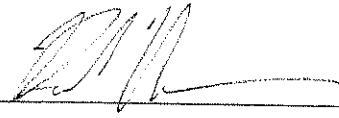
**IN WITNESS WHEREOF**, this Settlement Agreement and Consent Order is executed on the day and year first above written.

MARYLAND COMMISSIONER  
OF FINANCIAL REGULATION



By: Mark Kaufman  
Deputy Commissioner

HOME LOAN CENTER, INC.



By: David Norris  
President and Chief  
Executive Officer